



IOPS ANNUAL REPORT 2017

Activities from January 2017 to December 2017
2016 Financial Statements



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Foreword

The International Organisation of Pension Supervisors (IOPS) is an independent international body representing institutions involved in the supervision of private pension arrangements. The Organisation currently has 86 Members and Observers representing supervisory bodies from 76 countries and territories worldwide - from Albania to Zimbabwe - covering all levels of economic development and bringing together all types of pension and supervisory systems.

The IOPS was formed in July 2004. The major goal of the IOPS is to improve the quality and effectiveness of the supervision of private pension systems throughout the world, thereby enhancing their development and operational efficiency, and allowing for the provision of a secure source of retirement income in as many countries as possible.

The aims and purposes of IOPS can be summarised as:

- serving as the standard-setting body on pension supervisory matters (and regulatory issues related to pension supervision), taking into account the variety of different private pension systems;*
- promoting international co-operation on pension supervision and facilitating contact between pension supervisors and other relevant parties, including policy makers, researchers and the private sector;*
- providing a worldwide forum for policy dialogue and exchange of information on pension supervision;*
- participating in the work of relevant international bodies in the area of pensions, including joint activities to improve statistical collection and analysis;*
- promoting, conducting and facilitating the distribution and communication of research, and collecting information in co-operation with relevant international bodies.*



Report from the President of IOPS

Dr. Edward Odundo
Former President of IOPS

HIGHLIGHTS

In 2017 the IOPS continued working with individual members and co-operating actively with other international organisations which have an interest in pension supervision. In February, the Financial Services Commission of Jamaica (FSC) hosted the IOPS Committee meetings in Runaway Bay, Jamaica. The FSC and the IOPS also organised a technical workshop “Risk-based pension supervision – lessons learnt”, based on successful past experience with the organisation of similar technical workshops. The purpose of the Technical Workshop was to discuss the developments in risk-based supervision systems and to share with the audience the experience of selected jurisdictions learnt when introducing and/or operating risk-based pension supervision (RBS). Presenters from Australia, Canada, Kenya, and Mexico focused on positive and negative lessons learnt (e.g. what worked and what did not, reasons or preconditions for success or failure) and plans for improving/adjusting their RBS systems in the future.

The Committees meetings in Jamaica were followed by a seminar entitled “The pensions landscape: progress, prospects and challenges”, organised jointly by FSC and the IOPS. The seminar brought together senior officials from the pension regulatory and supervisory authorities with a reach representation from the Caribbean region (9 jurisdictions) and globally. The seminar addressed several key topics standing high on policy and supervisory agenda in Jamaica and the region. The first session was devoted to private pensions and pension supervisory issues from the regional perspective with a particular focus on solvency problems caused by the prolonged low interest rate environment and the need to assure an appropriate quality of management for the small-scale pension plans. The second session dealt with supervisory challenges related to systemic risks and their sources as well as with the potential impact of private pension funds on financial stability. The third session dealt with the changes in pension scheme design characterised by the shift from defined benefit (DB) to defined contribution (DC) arrangements and regulatory and supervisory responses to them including changes in solvency funding rules, introduction of recovery plans, increased focus on communication, governance, management and decumulation phase. The fourth session addressed current trends in pension funds investment strategies, including investments in non-traditional assets in the current low interest rate environment and looked at supervisory approaches and techniques in relation to pension funds’ risk assessment and asset allocation in selected IOPS jurisdictions. The last session was devoted to emerging new pension plan design features and communication around reform/adjustments to pension systems. The meetings in Runaway Bay, Jamaica were perceived as highly successful, gathering approximately 58 Delegates from 38 jurisdictions and 30 Jamaican

participates, allowing for a fruitful and informative exchange of views and experiences on a number of topical issues. All presentations of the event are available on the IOPS Clear space and the IOPS public web-site.

On 30 April 2017 Dr. Edward Odundo, a long-standing member of the IOPS Executive Committee, IOPS Vice-President, and IOPS President since 2013, finished his mandate as the Chief Executive Officer in the Retirement Benefits Authority of Kenya and stepped down from his position of the IOPS President. From that moment, IOPS Vice President, Dr Olga Fuentes, the Deputy Chair of Regulation, Superintendence of Pensions of Chile kindly agreed to be Acting IOPS President until the election of the new IOPS President on 24 October 2017.

On 19-20 June 2017, the IOPS and the OECD Working Party on Private Pensions organised joint meetings in Paris, France. These were followed by the second international Research seminar organised jointly by OECD, IOPS and the International Network for Pensions, Aging, and Retirement Research (INPARR) that offered a unique forum where leading pension academics presented their research and interacted with the policymakers and supervisory community. The INPARR gathers the following leading academic institutions: the ARC Center of Excellence in Population Ageing Research (CCEPR), the Pension Research Council of the University of Pennsylvania and the Network for Studies on Pensions, Aging and Retirement (Netspar). The theme of the conference addressed the future of the retirement income plans with focus on such issues like pension protection, future labour market and future pension design. World leading academic researchers and the OECD and IOPS Delegates from 45 jurisdictions around the world took part in this event. The presentations of the Research Seminar, 21 June 2017, were made available on the OECD as well as on the IOPS web-site.

On 18-19 September 2017, the IOPS, the International Association of Pension Supervisors (IAIS), OECD and the National Bank of Slovakia organised a seminar “Consumer protection trends in pension and insurance”. The seminar dealt with current and future pension and insurance market changes that have an impact on consumer protection as well as with supervisory standards and good practices aimed at securing better consumer protection in both sectors. The event gathered over 60 pension and insurance delegates from 32 jurisdictions and officials from the OECD, the IAA, the World Bank and the EIOPA.

The IOPS Annual Meetings were held on 23-25 October 2017 in Belle Mare, Mauritius, and were hosted by the IOPS member authority, the Financial Services Commission (FSC) of Mauritius. The AGM and the IOPS committee meetings were followed by the OECD/IOPS Global Forum on Private Pensions, which had the theme of “Care for the Future: Think of Pensions” and gathered about 20 local guests, including representatives of the government of Mauritius, representatives of the private pension and asset management industry in the region and globally, as well as 67 international Delegates from 36 countries, including IOPS Members, officials from the OECD and the World Bank. The forum benefited from the knowledge and expertise of numerous speakers, including Prof. Gordon Clark, The University of Oxford and Dr. Michael Orszag, Head of Research, Towers Watson, and Senior Editor of the Journal of Pension Economics and Finance, as well as IOPS delegates and discussed several important topics, such as the ways to secure better coverage of private pension systems, governance of pension funds, investment of foreign pension funds in Africa (a special session related to its Programme G20 Compact with Africa), African pension funds investment in infrastructure, and methods to design optimal pension systems. The forum was privileged to welcome the participation of Hon. Sudhir Sesunskur, Minister of Financial Services, Good Governance and Institutional Reforms, Mauritius who provided closing remarks as well as Dr Holger Fabig, German G20 representative who delivered a keynote speech on Compact with Africa. The

event provided an occasion to thoroughly discuss the possibilities and obstacles for investment of domestic and foreign pension funds in the continent, including in infrastructure projects.

Special thanks are due to all participants of IOPS meetings and the authorities that hosted the meetings for their initiatives and hospitality. The organisation of the Technical Workshops back to back with the Committee meetings proved to be a very useful initiative offering to our Members a valuable source of practical information on highly technical issues related to the supervision of private pension entities. Again, we are grateful to the senior management of the hosting authorities for their support of such initiatives and all colleagues who contributed to these technical seminars.

MEMBERS

Three bodies joined the Organisation in 2017, bringing the IOPS membership to 86 Members and Observers. The entities that joined were the Financial Services Commission of Guernsey, the Supervisory Authority of Insurance and Social Security (ACAPS) of Morocco, and the National Securities and Stock Market Commission of Ukraine. All these institutions became Governing Members of IOPS.

Our goal for 2018 will be to identify potential new members and to recruit them, thereby expanding the membership base. A range of pension supervisory authorities continue to express interest in our Organisation. We would be delighted to welcome these and other interested parties as members of our Organisation and we will work with such countries to incorporate their valuable input into our work.

IOPS is very grateful to its Members who have supported our efforts to expand the membership of the Organisation. Indeed, our best source of recruitment is through our membership. Members are therefore encouraged to get in touch with their contacts in their regions and help work towards further increasing the membership of our Organisation in 2018.

On behalf of the whole Membership sincere thanks are addressed to Mr Darren McShane, Chief Regulation & Policy Officer and Executive Director, Mandatory Provident Fund Schemes Authority, Hong Kong, China who has been serving as IOPS Chair of the Technical Committee since June 2014. I would like to thank him for his excellent contribution to the work of the International Organisation of Pension Supervisors. For the past four years Darren was one of the driving forces of our Organisations offering his knowledge and expertise in the pension supervisory domain to support the research and policy work developed by the Organisations.

MEETINGS

The following meetings were held in 2017:

- Executive and Technical Committee meetings; 22 February – Runaway Bay, Jamaica; 19-20 June – Paris, France; 23 October – Belle Mare, Mauritius;
- IOPS/FSC Technical Workshop on Risk-based pension supervision – lessons learnt, 23 February, Runaway Bay, Jamaica;
- IOPS/FSC International Seminar on Private Pensions: The pensions landscape: progress, prospects and challenges, 23-24 February, Runaway Bay, Jamaica;
- INPARR-OECD-IOPS Research Seminar: Pension foresight: envisaging retirement income plans of the future, 21 June, Paris, France;

- IAIS-IOPS-OECD-NBS Joint Conference on Consumer Protection in Insurance and Pension: Consumer protection trends in pension and insurance, 18-19 September, Bratislava, Slovak Republic;
- Annual General Meeting, 24 October, Belle Mare, Mauritius;
- OECD/IOPS Global Forum on Private Pensions: Care for the Future: Think of Pensions, 24-25 October, Belle Mare, Mauritius.



IOPS/FSC International Seminar on Private Pensions: The pension landscape: progress, prospects and challenges, 23-24 February 2017, Runaway Bay, Jamaica.



IOPS/FSC Joint IAIS-IOPS-OECD-NBS Conference *Consumer protection trends in pensions and insurance*, Bratislava, 18-19 September 2017

AIMS

The Organisation successfully worked towards fulfilling a range of aims and objectives during 2017, including the following:

AIM	Achievement 2017
<i>Standard setting body on pension supervisory issues</i>	<p>Representatives of the Organisation participated in the work of other bodies promoting the standards developed by the IOPS (e.g. OECD Working Party on Private Pensions, G20-OECD Task Force on Financial Consumer Protection - OECD).</p> <p>The IOPS continued a revision process of its Principles of Private Pension Supervision in light of the recent revision of the OECD Core Principles of Private Pension Regulation, which include the IOPS Principles as its Core Principle 6 and developments in the supervisory techniques and approaches that have taken place since the last revision of the IOPS Principles in 2010. This work is still in progress.</p>
<i>Worldwide forum for dialogue and exchange</i>	<p>The IOPS organised jointly with OECD, and the International Network for Pensions, Aging, and Retirement Research (INPARR) the international research seminar on the future of retirement income plans.</p> <p>The joint OECD/IOPS Global Forum was</p>

	<p>organised in Belle Mare, Mauritius.</p> <p>The IOPS continued collaboration with other international institutions (e.g. the World Bank, Latin American Pension Fund Supervisors (AIOS), International Association of Insurance Supervisors (IAIS) and International Federation of Pension Funds Administrators (FIAP)).</p>
<i>Participate in work of relevant international bodies</i>	See description of activities in the section <i>Relations with other organisations</i> under this table.
<i>Promote, conduct, facilitate distribution and communication of research</i>	<p>During 2017 the IOPS released three Working Papers including a joint paper with the World Bank.</p> <p>The IOPS continued revision of its website, including its electronic library on the IOPS website that provides research on pension supervision and related topics.</p> <p>Members also receive the leading academic pension journal, 'The Journal of Pension Economics and Finance' (JPEF) developed under the aegis of the IOPS and OECD. The Journal publishes original research papers on topics including pension fund management, the regulation of pensions, and pensions and labour markets. The Issues & Policy section reviews the state of debate on current public policies and other major aspects of the pensions field. Printed copies of the Journal were distributed to the Members at the Paris Committee meetings and the OECD/IOPS Global Forum on Private Pensions.</p> <p>Access to the electronic version of the JPEF is available to the Members through IOPS web-site: www.iopsweb.org.</p>
<i>Assist countries with less developed private pension arrangements</i>	<p>The IOPS continues to build its membership and contacts amongst countries with developing pension systems, and has welcomed representatives from many developing economies to its conferences and events.</p> <p>The IOPS Committee Meetings and Conference in Runaway Bay, Paris and Bella Mare saw attendance from non-member countries such as Antigua and Barbuda, Barbados, Belize, Grenada, Guyana, Malaysia, Qatar, Saint Kitts and Nevis, Saint Lucia, St. Vincent and the</p>

	Grenadines. IOPS Members pursue their efforts supported by the Secretariat to expand the Membership of the Organisation in the future.
<i>Develop database of private pension and supervisory systems worldwide</i>	The IOPS continues to work with its partners from the ISSA and OECD to update and develop a comprehensive regulatory and statistical database covering private pension systems worldwide. Working meeting with the representative from ISSA was organised during joint OECD WPPP/IOPS meeting in Paris, France on 19-20 June 2017. IOPS Members contribute on an annual basis to the OECD/IOPS/WB Global Pension Statistics and the joint ISSA/OECD/IOPS Complementary and Private Pension database. 2017 update of the joint ISSA/OECD/IOPS Complementary and Private Pension database and IOPS supervisory profiles comprised G20 countries.

RELATIONS WITH OTHER ORGANISATIONS

The IOPS continued to work closely with other organisations in 2017. Such collaborations included:

- **OECD:** The IOPS continues to work closely with the OECD's Working Party on Private Pensions jointly organising research conferences, joint summer meetings and the Global Forum. This year, the summer joint meeting was held in Paris, France, while the Global Forum took place in Bella Mare, Mauritius. The OECD continues to provide Secretariat support to the IOPS via the partnership agreement signed by the two organisations in 2005 and renewed in 2011. The IOPS also continued to contribute to the G20/OECD Taskforce on Financial Consumer Protection, the Taskforce on Pension Statistics and the G20/OECD Taskforce on Institutional Investors and Long-Term Financing.
- **ISSA:** the joint database on complementary and private pensions is further being updated and extended by the three organisations involved (IOPS, ISSA and OECD).
- **World Bank:** representatives continue to attend IOPS meetings and provide input and comments to IOPS projects. Both organisations issued a joint paper on the impact of members' transfers on pension funds investment policy.
- **IAA:** the two organisations continue to co-operate, comment on their work programmes and publications as well as organise regular working meetings.
- **IAIS:** the two organisations continue to co-operate in respect of monitoring developments, co-ordinating respective work of each organisation and participating in events where relevant. In 2017 the joint IAIS and IOPS survey of insurance supervisors "Retirement income business in insurance companies" was launched as well as a joint IAIS-IOPS-OECD-NBS Conference on Consumer Protection in Insurance and Pension: Consumer protection trends in pension and insurance organised in Bratislava.
- **AIOS:** the two organisations provide regular exchange of information and the representative of AIOS attended and actively contributed to the joint OECD/IOPS Paris meeting.

- **EIOPA:** the IOPS and EIOPA provide regular updates of each other's work.

FUTURE MEETINGS

2018

- 22-23 February, Committee Meetings and Seminar, Dublin, Ireland;
- 4-6 June or 18-20 June (tbc), June, Committee Meetings, OECD, Paris, France (back to back with the OECD WPPP);
- October (venue and dates tbc), Committee Meetings, AGM & OECD/IOPS Global Forum on Private Pensions, China.

I confirm my resignation from the position of IOPS President which is effective as of 30 April 2017. The reason for my resignation is the end of my term as the Chief Executive Officer of the Retirement Benefits Authority (RBA) of Kenya. The Vice-President of the Organisation, Dr. Olga Fuentes, acted as IOPS President until the Annual General Meeting held on 24 October 2017 in Belle Mare, Mauritius, where elections of the new IOPS President were held.

As a result of the elections, Mr. Carlos Ramírez Fuentes, President of the National Commission of the Retirement Savings System (CONSAR), Mexico is the new IOPS President. I would like to extend my congratulations to him and wish him all the best in his new position in the Organisation.



Carlos Ramírez Fuentes
(newly elected) President of IOPS

Finally I would like to make some brief personal comments in this report, being final Report as IOPS President. The IOPS serves an extremely valuable global function in facilitating and promoting exchange of knowledge and best practices in private pension supervision, a function that will only become more relevant and important in the future. It has been an honour and a privilege to serve the IOPS and I would like to take this opportunity to convey my sincere gratitude to the IOPS Membership for their continued support and dedication in pursuit of our endeavors. I particularly thank them for

remaining true to our main objective and course, which seeks to achieve better supervision of private pension arrangements and improve pension sector governance by developing appropriate guiding principles and standards. I urge them to continue with the same spirit to develop the sector further and remain steadfast in dealing with the challenges that emerge as we move into the future.

A handwritten signature in black ink, appearing to read "E. Odundo", is written over a long, thin, slightly curved horizontal line.

Dr. Edward Odundo
Former President of IOPS



Report by the Chair of the Technical Committee

Darren McShane

Former Chair of the IOPS Technical Committee

The Technical Committee of IOPS is an essential group tasked with developing principles, standards and good practices on pension supervisory issues and on regulatory issues related to pension supervision. The Technical Committee is also the primary forum through which members discuss and share experiences relating to pension supervision and contribute to the development and issuance of IOPS Working Papers. Participation in Technical Committee meetings is open to all IOPS members.

Over the year, three meetings of the Technical Committee were held which were all well supported by the membership. The June meeting in Paris was a joint meeting with the OECD Working Party on Private Pensions which provided a valuable opportunity to share and discuss the work of IOPS with a broader group of interested partners and stakeholders.

The outputs and ongoing work of the Committee are set out in some detail below. The value of a body such as IOPS is that it is able to draw upon the collective experiences of a broad membership of pension supervisors. The quality of outputs of the IOPS is driven by the contributions of these Members who are urged to participate and provide input whether through participation in project teams, responses to surveys and information requests or through the meeting processes where papers are discussed and refined. I would particularly like to thank those who drafted, edited and supplied input for the Working Papers released, or further developed, this year. I would also like to thank the Secretariat for their efforts in the development of the papers completed and progressed throughout the year and also for the substantial background work needed in arranging the meetings of the Committee so that they can run efficiently and productively.

Going forward, the Technical Committee is committed to an ambitious program of work that will continue to explore the frontiers of developments in private pension systems globally. To achieve these ambitions, we look forward to the ongoing commitment of the membership, the support of the secretariat and ongoing collaboration with our external partners.

PROGRAMME OF WORK (POW) 2017-2018

RESEARCH AND PUBLICATIONS

During 2017, the IOPS continued to ensure that the work of its members reached a broader audience. The Organisation and its members have been pleased to respond to requests for information and research from a variety of sources.

Three Working Papers including a joint paper with the World Bank were released during 2017. The joint working paper with the World Bank (WP N° 28) analyses the impact of members' ability to switch pension fund provider and/or portfolios on the allocation of pension funds to long-term investments. The IOPS working paper N° 29 investigates the approach and the methodology used for supervising private pension funds' investment management practices and activities, with a focus on non-traditional investment (such as hedge funds, currency, commodities, structured products, private equity, real estate or infrastructure). The working paper N° 30 studies how supervisors monitor large pension funds and how they perceive potential impact of such funds on financial markets and the economy. Abstracts of the papers published this year are included below. The IOPS welcomes submissions for the Working Paper series. Members who have papers covering relevant issues and who are interested in submitting them for inclusion in the series should contact the IOPS Secretariat.

IOPS Working Papers present the results of research and policy analysis conducted throughout the year. They are developed with the important input and assistance of Technical Committee members, and are circulated to encourage discussion and comment and feed policy debate in their respective jurisdictions. They represent the views of the authors and may not represent the opinion of the IOPS members as a whole.

WORKING PAPER NO. 28: Pension funds and the impact of switching regulation on long-term investment (joint paper with the World Bank)

Abstract: This paper looks at the impact of members' ability to switch pension fund provider and /or portfolio on the allocation of pension funds to long-term investments. The level of annual turnover in pension fund portfolios was compared with the amount of short-term investments (using government treasury bills and bank deposits as proxy). The investment regulations around switching and other market conduct were then considered.



The paper finds that greater movements between pension fund providers and between portfolios is linked to increased holdings of short-term and more liquid assets. Switching appears to be driven by competition, market structure, and investment advice, and, unfortunately, frequently results in poor investment returns for members.

The paper makes six recommends for regulators. First, use administrative controls to prevent fraudulent switching between pension providers. Second, provide clear performance and cost comparisons to inform members' choice of provider/fund and encourage informed decision making, which is beneficial for members and the system. Third, supervise and control advertising and marketing (including reporting of performance periods) carefully, to avoid switches based on misleading advice. Fourth, control financial incentives for sales agents, so that switching advice is given in members' interest and not for commercial gain. Fifth, concentrate issuance in government securities, to create more liquid instruments. And sixth, conduct further research on the concept of a central liquidity pool to manage unexpected outflows.

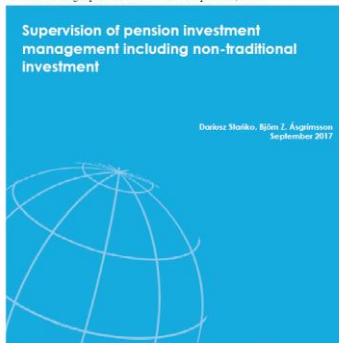
WORKING PAPER NO. 29: Supervision of pension management investment, including non-traditional investment

Abstract: This paper investigates the approach and the methodology used for supervising private pension funds' investment management practices and activities in 43 IOPS jurisdictions, with a focus on non-traditional investment (such as hedge funds, currency, commodities, structured products, private equity, real estate or infrastructure).

The paper finds that practically all surveyed IOPS jurisdictions require that pension funds have a written procedure for investment and risk management processes. Main bodies other than supervisors themselves responsible for supervision of investment process and investment managers are, depending on the legal structure, trustees or boards of directors. In general, the pension fund is responsible for the choice and supervision of the external service providers whose services it draws upon and remains ultimately responsible for the outcomes. The role of the supervisory authority is to control the outsourcing process where applicable.



IOPS Working Papers on Effective Pensions Supervision, No 29



Usually the investment and risk management process includes some typical requirements such as pre- or post-investment authorization, division of responsibilities, investment risk assessment, internal control, investment documentation and outsourcing.

The report finds no significant differences in the supervision of pension funds' investments in respect to traditional- or non-traditional investments (including no specific guidelines for non-traditional investments). This may be so because in some jurisdictions direct investment in non-traditional investments is not allowed or because non-traditional investments are still insignificant.

A distinct approach towards the supervision of investment management of non-traditional investments is used by a portion of the jurisdictions that apply risk-based supervision. They have issued certain guidelines or principles for non-traditional investments to help pension funds better assess such factors as counterparty risk, contract terms or valuation, as well as perform due diligence, and achieve appropriate diversification.

The report suggests that pension supervisors should consider issuing related investment guidelines to managing bodies of pension funds as well as applying in the future some of the experiences of these pension supervisors which are already using more distinct/elaborated approaches towards non-traditional investments.

WORKING PAPER NO. 30: Macro- and micro-dimensions of supervision of large pension funds

Abstract: This paper focuses on the supervision of large private pension funds (LPFs) and their potential impact on financial markets and the economy. The report is based on a survey of 34 members of the International Organisation of Pension Supervisors (IOPS). There are two dimensions to the supervision of LPFs. The macro dimension focuses on guarding against the potential adverse impact of such funds on financial markets and the overall economy, whereas the micro-dimension is about the possibility that inappropriate governance and operations of the LPFs may bring harm to the well-being of many pension beneficiaries and pension sponsors, norms of pension funds' market conduct, and even to the orderly operation of supervisory bodies.



The overall view of the responding IOPS supervisors is that large pension funds contribute to financial and economic stability. This is mainly due to their asset allocation practices and the stability of cash flows, reasonably uncorrelated with the situation in financial markets. LPFs might also require supervisory importance in the micro-dimension as they generally have more financial and operational resources (such as staff and IT systems) than smaller funds.

The report addresses the question of whether it is necessary to explicitly identify systemically important pension funds based on international or domestic standards and apply special regulatory or supervisory guidelines for them. Although some diverging opinions were revealed, supervisors tended to believe that before answering this policy question, some more evidence on the influence of pension funds on financial markets would be needed. The identification and creation of global standards for LPFs seem to be difficult as the features and impact of such funds tend to vary depending on the jurisdiction. Supervisors expressed support for a need to identify and monitor pension funds that are important domestically.

PROJECTS

In addition to the projects outlined above, the IOPS has worked on the following projects during 2017, which are expected to reach completion during the coming year:

- ***IOPS Good practices on the role of pension supervisory authorities in consumer protection related to private pension systems:*** Using the main findings of the report on the role of supervision related to consumer protection in private pension systems (IOPS Working Paper N°27); Good Practices were developed and made available for public consultation in 2017 and will be published in the beginning of 2018.
- ***Empirical study of pension funds' investment behaviour:*** Being a next step of the work on supervision of large pension funds, this project investigates the investment behaviour of pension funds in selected IOPS jurisdictions during 2006-2015 to determine the effect of pension funds on the stability of financial markets.
- ***Revision of the IOPS Principles of Private Pension Supervision:*** The IOPS Governing Membership agreed at its Berlin Annual Meeting held on 29 October 2015 on the need to revise the IOPS Principles of Private Pension Supervision. These principles were last revised

in 2010 and may warrant revision, in light of the adoption by the OECD Council in September 2016 of the OECD Core Principles of Private Pension Regulation (which include the IOPS Principles as its Implementing Guidelines for Core Principle 6 on Supervision) and developments in the supervisory techniques and approaches that have taken place since the last revision of the Principles.

- **Impact of digitalisation of financial services on supervisory practices in private pension sector: case studies:** This study will analyse the on-going digitalisation trend in financial services, concrete changes occurring in pension markets and resulting new supervisory practices, and will conclude with an assessment of the current and foreseen impact of digitalisation on pension supervision. Specific countries' case studies may form part of the project.

OTHER

Work on updating and expanding of the joint ISSA/IOPS/OECD Complementary and private pension database continued during 2017. The update and development of the new profiles for inclusion in the joint ISSA/IOPS/OECD database comprised of G20 countries. In conjunction with the update of the joint ISSA/IOPS/OECD profiles, IOPS supervisory profiles of the G20 countries were reviewed.

Furthermore, a broad range of IOPS Members provide statistical information for the OECD/IOPS/WB Global Pension Statistics Project. Selected statistics for IOPS Members are available via the OECD's Pensions Markets in Focus publication and the OECD web-site (www.oecd.org/daf/pensions).

The IOPS Members are encouraged to continue to actively participate and provide, on a regular basis, the requested pension regulatory and statistical data/information as a part of the joint the ISSA/OECD/IOPS Complementary and Private Pensions database and the OECD/IOPS/WB Global Pension Statistics database. The work on the update of IOPS supervisory profiles for the whole Membership will be pursued.



2017 Edition of the OECD Pension Markets in Focus is available via

<http://www.oecd.org/daf/fin/private-pensions/pensionmarketsinfofocus.htm>

IOPS Member countries' supervisory profiles, background information and papers by research topic and by country are available on the IOPS web-site: www.iopsweb.org. Members are invited to provide recent reports on their pension systems and developments in supervisory approaches and techniques for inclusion in the research database. The IOPS research web-page will be subject to on-going revision, restructuring and improvement.

Finally, I confirm my resignation from the position of Chair of the IOPS Technical Committee effective from 31 March 2017 due to my departure from the position as the Chief Regulation & Policy Officer and Executive Director, Mandatory Provident Fund Schemes Authority (MPFA), Hong Kong, China. I would like to extend my thanks to the IOPS Vice Chair of the Technical Committee, Mr Stephen

Glenfield, General Manager, South West Region - Specialised Institutions Division, Australian Prudential Regulation Authority (APRA) for leading the Committee's work following my resignation. Finally, I thank all IOPS Members and the IOPS Secretariat for their efforts in supporting and driving the work of the IOPS Technical Committee during my tenure as Chair.

At the joint OECD WPPP/IOPS meeting in Paris, France on 19-20 June 2017, the Executive Committee appointed Mr Brendan Kennedy, the Chief Executive Officer of the Pensions Authority of Ireland, as a new Chair of the IOPS Technical Committee.

Mr Brendan Kennedy
(newly elected) **Chair of the Technical Committee**



I would like to extend my congratulations to the new Chair of the Technical Committee and wish him all the best in his new position in the Organisation.

A handwritten signature in black ink, appearing to read 'DMcShane', with a long horizontal line extending from the end of the signature.

Darren McShane
Former Chair of the IOPS Technical Committee



André Laboul
Secretary General of IOPS

Report of the Secretariat

The IOPS Secretariat continues to provide a wide range of support to the IOPS membership. In addition to supporting and working to extend the membership base, servicing the Executives and organising meetings, the Secretariat has, on the request of the Executive Committee, continued in an analytical role to provide intellectual input to the Organisation. In addition to drafting papers and guidelines, increased editorial and analytical support was provided to project teams, which resulted in the publication of further papers in the IOPS Working Paper series.

In mid-2017, the IOPS secondee, Mr Kyoung Gook Park returned to the Financial Supervisory Service (FSS) of Korea, whilst his colleague from the same organisation, Mr Taejin Han joined the IOPS Secretariat. I would like to thank Financial Supervisory Service of Korea for their continued generous and kind support of the Organisation. The practical supervisory experience of the secondees continues to be highly valuable for the Secretariat. I hope that the secondee programme can continue in the future, with other Members contributing to it. IOPS Members are invited to inform the IOPS Secretariat about their willingness to send their staff to support the work of the Secretariat.

Mr Taejin Han
New secondee in IOPS Secretariat



MAIN TASKS COMPLETED DURING 2017

DOCUMENTS

The Secretariat provided substantial analytical input to the on-going IOPS projects which led to the publication of the following documents: Working Paper No. 29 on Supervision of pension management investment, including non-traditional investment and Working Paper No. 30 on Macro- and micro-dimensions of supervision of large pension funds. The Secretariat also provided comments and logistic support for the joint working paper No. 28 with the World Bank on Pension funds and the impact of switching regulation on long-term investment

The Secretariat was closely involved with and assisted the work of various other project teams, helping to fulfil the intended 2017-2018 Programme of Work of the Organisation. The Secretariat played a central role in organising and leading for certain projects Team work for a number of the IOPS projects undertaken during 2017.

The IOPS Secretariat, along with our OECD colleagues, has also taken on the role of updating and extending the ISSA/OECD/IOPS database and review of the IOPS supervisory profiles.

Finally, the Secretariat coordinated the production of numerous other documents, including the preparation of the agendas and briefings of the Executive and Technical Committee meetings, the joint IAIS/IOPS/OECD/NBS seminar on consumer protection, the updated Programme of Work, the Annual Budget of the Organisation, President's and other reports, including the IOPS 2017 Annual Report.

MEETINGS

The Secretariat engaged in the establishment, operation, preparation, and organisation of meetings for the Executive and Technical Committees held in 2017 in Runaway Bay (February), Paris (June) and Belle Mare, Mauritius (October). Secretariat analytical and organisational support was also provided for the Annual General Meeting of the Governing Membership held in Belle Mare, Mauritius in October 2017.



OECD/IOPS Global Forum on Private Pensions: Care for the Future: Think of Pensions, 24-25 October 2017, Belle Mare, Mauritius

From the left: Mr Brendan Kennedy, Chair of IOPS Technical Committee; Mr Carlos Ramírez Fuentes, IOPS President; Hon. Sudhir Sesungr, Minister of Financial Services, Good Governance and Institutional Reforms, Mauritius; Mr Ambrogio Rinaldi, Director, Pensions Fund Supervision Commission (COVIP), Italy, and Chair of OECD Working Party on Private Pensions; Mr Harvesh Seegolam, Chief Executive, Financial Services Commission of Mauritius

The Secretariat was involved in the planning and organisation of the IOPS/FSC Technical Workshop on Risk-based pension supervision held in Runaway Bay on 23 February, the IOPS/FSC International Seminar on Private Pensions held in Runaway on 23-24 February, the INPARR/OECD/IOPS Joint Research Seminar held in Paris on 21 June, the IAIS/IOPS/OECD/NBS Joint Conference on consumer protection in insurance and pensions held in Bratislava on 18-19 September, and the OECD/IOPS Global Forum on Private Pensions held in Belle Mare on 24-25 October 2017.

Marketing of the Global Forum by the Secretariat helped to ensure that this annual event continued to attract a wide ranging audience. Indeed, 36 jurisdictions were represented at the Global Forum from the African region and worldwide, with one non-member delegation.

Support was additionally provided for the Chairpersons of the committees.

COOPERATION WITH OTHER INTERNATIONAL BODIES

The IOPS Secretariat continues to work closely with the OECD's Working Party on Private Pensions for the purposes of elaboration of joint projects, elaboration of the programmes of the Annual OECD/IOPS Global Forum on private pensions and other international events where OECD and IOPS are taking part. The IOPS Secretariat was actively involved in organising the second international research seminar on pensions and aging issues in partnership with International Network for Pensions, Aging, and Retirement Research (INPARR) and OECD in Paris in June. The Secretariat met with representatives of the International Association of Insurance Supervisors (IAIS) in Basel and represented the IOPS at the meeting of the G20/OECD Task Force on Financial Consumer Protection and the G20/OECD Task Force on Institutional Investors and Long-Term Financing and provided related input on the topics discussed at these meetings. The Secretariat also delivered presentations on pension funds' investment in non-traditional assets and their role in the context of financial stability at the February IOPS/FSC seminar in Jamaica and on consumer protection in the private pension area at the June conference in Paris.

Additionally, the Secretariat worked towards the review and extension of the ISSA/IOPS/OECD database on complementary and private pensions and review of the IOPS supervisory profiles.

The IOPS Secretariat continues to co-operate with the IAIS and the IAA and provides a regular exchange of updates with these colleagues. This year, IOPS and IAIS collaborated on producing the joint seminar on consumer protection in Bratislava held in September 2017.

The IOPS works closely with our counterparts in Europe (EIOPA) and Latin America (AIOS).

ADMINISTRATION AND OTHER

Communication and record keeping in relation to existing members was also undertaken, with the Secretariat striving to ensure that delegates received documents in time to review them before meetings. All IOPS working documents are available on the Members' Clear space. Comments and suggestions from delegates in relation to the on-going projects and reports were also coordinated.

The Secretariat provided support to the IOPS Treasurer as well as organised the nomination and election of the IOPS President, Vice President and the members of the Executive Committee at Annual General Meeting in Belle Mare, Mauritius.

The Secretariat continues efforts to modernise the IOPS website, as well as launching and regularly updating social networking groups for IOPS via the Clearspace site.

Finally, I would like to thank the IOPS Governing Members for the renewal of the partnership agreement with the OECD for a further three years. We look forward to continuing to provide secretariat support and to working with the IOPS in the future.

A handwritten signature in black ink, appearing to read 'A. Laboul', written over a faint horizontal line.

André Laboul
Secretary General IOPS

Executive Committee Members 2017

IOPS President and Chair of Executive Committee

Dr. Edward Odundo	Chief Executive Officer, Retirement Benefits Authority, Kenya (former IOPS President from 1 May 2017)
Mr Carlos Ramírez	President National Commission of the Retirement Savings System (CONSAR), Mexico (elected as the New President on 24 October 2017)

IOPS Vice-President

Dr. Olga Fuentes	Deputy Chair of Regulation, Pensions, Superintendence of Chile (re-elected as IOPS Vice President on 24 October 2017)
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Ex Officio - Chair of Technical Committee

Mr Darren Mc Shane	Chief Regulation & Policy Officer and Executive Director, Mandatory Provident Fund Schemes Authority, Hong Kong, China (former Chair of the Technical Committee from 1 April 2017)
Mr Brendan Kennedy	Chief Executive Officer of the Pensions Authority of Ireland (elected as the New Chair of the Technical Committee on 19 June 2017)

Ex Officio – Vice Chair Technical Committee & IOPS Treasurer

Mr Stephen Glenfield	General Manager, South West Region, Specialised Institutions Division, Australian Prudential Regulation Authority (APRA) (elected on 7 June 2016)
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Elected in 2016 to serve from 2017 until the end of 2018

Austria	Financial Market Authority
China	Chinese Insurance Regulatory Commission
Hungary	The Central Bank of Hungary
South Africa	Financial Services Board
Turkey	Undersecretariat of the Treasury

Elected in 2017 to serve from 2018 until the end of 2019

Botswana	Non-Bank Financial Institutions Regulatory Authority
Egypt	Egyptian Financial Supervisory Authority
India	Pension Fund Regulatory and Development Authority
Italy	Pension Funds Supervision Commission
Mauritius	Financial Services Commission
Romania	Financial Supervisory Authority
Uganda	Retirement Benefits and Regulatory Authority

IOPS Members and Observers 2017

Governing Members

Albania	Financial Supervisory Authority
Armenia	The Central Bank of Armenia
Australia	Australian Prudential Regulation Authority
Austria	Financial Market Authority
Belgium	Financial Services and Markets Authority (FSMA)
Botswana	Non-Bank Financial Institutions Regulatory Authority
Brazil	National Superintendence for Closed Pension Funds - PREVIC
Bulgaria	Financial Supervision Commission
Canada	Canadian Association of Pension Supervisory Authorities (CAPSA)
Chile	Pensions Superintendence of Chile
China	Chinese Insurance Regulatory Commission
Colombia	Financial Superintendence of Colombia
Costa Rica	Pensions Superintendence of Costa Rica
Czech Republic	The Czech National Bank
Dominican Republic	Superintendence of Pensions
Egypt	Egyptian Financial Supervisory Authority (EFSA)
France	Prudential Supervisory Authority (ACP)
Germany	Federal Financial Supervisory Authority (BaFin)
Ghana	National Pensions Regulatory Authority
Gibraltar	Financial Services Commission
Guernsey	Financial Services Commission
Honduras	Comision Nacional de Bancos y Seguros (CNBS)
Hong Kong, China	Mandatory Provident Fund Schemes Authority (MPFA)
Hungary	The Central Bank of Hungary
Iceland	Financial Supervisory Authority (FME)
India	Pension Fund Regulatory and Development Authority (PFRDA)
Indonesia	Indonesia Financial Services Authority
Ireland	Pensions Authority
Isle of Man	Insurance and Pensions Authority
Israel	Ministry of Finance
Italy	Pension Funds Supervision Commission (COVIP)
Jamaica	Financial Services Commission
Jordan	Insurance Commission
Kazakhstan	National Bank of the Republic of Kazakhstan
Kenya	Retirement Benefits Authority (RBA)
Korea	Financial Services Authority / Financial Supervisory Service
Kosovo	The Central Bank of the Republic of Kosovo
Lesotho	Central Bank of Lesotho
Liechtenstein	Financial Market Authority
Lithuania	Bank of Lithuania
Luxembourg	Financial Sector Supervisory Commission
FYRO Macedonia	Agency for Supervision of Fully Funded Pension Insurance (MAPAS)
Malawi	Reserve Bank of Malawi
Maldives	Capital Market Development Authority
Malta	Financial Services Authority
Mauritius	Financial Services Commission
Mexico	National Commission for the Pension System (CON SAR)
Morocco	Supervisory Authority of Insurance and Social Security (ACAPS)

Mozambique	Insurance Supervisory Institute (ISSM)
Namibia	Namibia Financial Institutions Supervisory Authority
Netherlands	Central Bank of the Netherlands (DNB)
Nigeria	National Pensions Commission
Papua New Guinea	Bank of Papua New Guinea
Peru	Superintendence of Banking, Insurance and Pension Fund Administrators
Poland	Polish Financial Supervision Authority
Portugal	Insurance and Pension Funds Supervisory Authority
Romania	Financial Supervisory Authority
Russian Federation	Central Bank of the Russian Federation
Rwanda	National Bank of Rwanda
Serbia	National Bank of Serbia
Seychelles	Financial Services Authority
Slovak Republic	National Bank of Slovakia
South Africa	Financial Services Board (FSB)
Spain	Ministry of Economy and Competitiveness
Suriname	Central Bank of Suriname
Swaziland	Office of the Registrar of Insurance and Pension Retirement Funds
Switzerland	Occupational Pension Supervisory Commission OPSC
Tanzania	Social Security Regulatory Authority
Trinidad & Tobago	Central Bank of Trinidad and Tobago
Turkey	Pension Monitoring Center
Turkey	Undersecretariat of the Treasury
Uganda	Uganda Retirement Benefits Regulatory Authority
Ukraine	National Securities and Stock Market Commission
United Kingdom	The Pension Regulator (TPR)
Zambia	Pension and Insurance Authority
Zimbabwe	Insurance and pension Commission

Associate Members

South Africa	National Department of Social Development
Tanzania	Bank of Tanzania
International Association of the Latin American Pension Fund Supervisors (AIOS)	<i>Partnership Agreement</i>
International Association of Insurance Supervisors (IAIS)	<i>Partnership Agreement</i>
International Social Security Association (ISSA)	<i>Partnership Agreement</i>
OECD	<i>Partnership Agreement</i>
World Bank	

Observers

American Association of Life Insurers (ACLI)	
International Actuaries Association (IAA)	<i>Reciprocal Membership</i>

Secretariat**Secretary General**

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Mr Stephen Glenfield
IOPS Treasurer

Report of the Treasurer

SUBJECT:

IOPS ACCOUNTS AS OF 31 DECEMBER 2016

Dear Governing Members,

For the year ended 31 December 2016 membership fee income of the International Organisation of Pension Supervisors (IOPS) amounted to 527 922 euro (2015: 530,751 euro) represented by 450,922 euro received from 71 members and 77,000 accrued as owing from 13 members. The level of membership fees that are received by the IOPS reflects a permanent member support for the activities of the Organisation.

The primary expense item during 2016 continued to be the Secretariat support provided by the OECD under the official partnership between both our Organisations. The amount charged for the current year was 398 300 euro (2015: 381,290 euro).

Conference and meeting expenses were 23 000 euro in 2016, which is broadly in line with 30 069 euro in the previous reporting year. The IOPS held Executive Committee and Technical Committee meetings in Rome, Paris and Hong Kong, China. The Annual General Meeting and joint OECD/IOPS Global Forum took place in Hong Kong, China.

The reserve policy adopted by the Executive Committee in 2007 is to hold a 20% target of the estimated yearly membership fee income as a contingency reserve, to cover uncertainties relating to the timing of receipt and level of membership payments. Due to the relative consistency of membership income between 2015 and 2016, no change has been made to the level of this reserve (106,150 euro). In addition, the Executive Committee decided in 2007 to build up an additional reserve to cover future event expenditure, such as costs relating to conference or regional workshop programs. No draw down from this special reserve was made in 2016.

On balance, IOPS ran an operating surplus of 45 146 euro for the year 2016. With this, IOPS is in a solid financial position to realise its goals.

A handwritten signature in black ink, appearing to read 'Stephen Glenfield'. The signature is fluid and cursive.

Stephen Glenfield
Treasurer

The International Organisation of Pension Supervisors
Dated: 6 October 2017

2016 Members Payments			
Albania	Hungary	Malta	South Africa (Financial Services Board)
Armenia	Hong Kong, China	FYR Macedonia	Spain
Australia	Iceland	Malawi	Suriname
Austria	India	Mauritius	Swaziland
Belgium	Indonesia	Mexico	Switzerland
Botswana	Israel	Mozambique	Tanzania (Social Security Regulatory Authority)
Bulgaria	Ireland	Namibia	Trinidad & Tobago
Brazil	Isle of Man	Netherlands	Turkey (Pensions Monitoring Centre)
Canada	Italy	Nigeria	Turkey (Undersecretariat of the Treasury)
China	Jamaica	Norway	Uganda
Chile	Jordan	Papua New Guinea	United Kingdom
Colombia	Kazakhstan	Peru	Zambia
Costa Rica	Kenya	Poland	Zimbabwe
Czech Republic	Korea	Portugal	
Dominican Republic	Kosovo	Romania (Private Pension System Supervisory Commission)	South Africa (Ministry for Social Development)
Egypt	Lethoso	Russian Federation	Tanzania (Bank of Tanzania)
France	Liechtenstein	Rwanda	The World Bank
Germany	Lithuania	Serbia	ACLI
Gibraltar	Luxembourg	Seychelles	Insurance Europe
Ghana	Maldives	Slovak Republic	

Report of the Auditors to the Members of International Organization of Pension Supervisors

IOPS Association

Financial year ended December 31, 2016

Opinion

We have audited the accompanying financial statements (the “Financial Statements”) of the International Organization of Pension Supervisors (“IOPS”), which comprise the Statement of financial position and the statements of changes in unrestricted net assets for the year ended 31 December 2016, and a summary of significant accounting policies and other explanatory information and notes.

In our opinion, the accompanying Financial Statements of IOPS for the year ended 31 December 2016 are prepared, in all material aspects, in accordance with the accounting policies disclosed in the notes to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor’s Responsibility for the Audit of the Financial statements section of our report. We are independent of IOPS within the meaning of the ethical requirements of IFAC and have fulfilled our other responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the accounting policies disclosed in the notes to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing IOPS' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate IOPS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing IOPS' financial reporting process.

Auditor's Responsibility for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of IOPS' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on IOPS' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, further events or conditions may cause IOPS to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton
French Member of Grant Thornton International

A handwritten signature in black ink, appearing to read 'Vianney Martin', with a stylized flourish at the end.

Vianney Martin
Partner

International organisation of pension supervisors (IOPS) Statement of financial position As per 31 December 2016			
Assets	Notes	2016 (Euro)	2015 (Euro)
Cash at bank		532,953	449,574
Short term deposit		118,313	118,313
Interest accrued		-	-
Sundry debtors and prepayments	6	93,525	107,250
Seconded loan		-	4,248
Total		744,791	679,385
Liabilities and net assets			
Prepaid membership fees		-	-
Accrued Grants to OECD		265,533	254,193
Accrued expenses	7	34,647	25,727
Total liabilities		300,180	279,920
Net Assets		444,611	399,465
Unrestricted Net Assets & Reserves			
Retained earnings before transfer		268,315	186,582
Changes in unrestricted net assets for the current year		45,146	86,772
		313,461	273,354
Transfer from Special Reserve		-	-
Transfer to Contingency Reserve		-	5,040
Retained Earnings after transfer		313,461	268,314
Special Reserve		25,000	25,000
Contingency Reserve		106,150	106,150
Total Funds		444,611	399,464

International organisation of pension supervisors (IOPS)

Statement of activities

For the year ending 31st December 2016

CHANGES IN UNRESTRICTED NET ASSETS

	Notes	2016 (Euro)	2015 (Euro)
Revenue and gains			
Membership fees		527,922	530,751
Interest		-	582
Total unrestricted revenue and gains		527,922	531,333
Expenses			
Audit		7,200	7,700
Bank fees and charges		1,591	1,544
Bad Debt Expense	9	44,000	-
Secretariat support costs			-
OECD administration	4	398,300	381,290
Conference expenses	5	23,000	30,069
Subscriptions		7,000	14,000
Publishing costs		1,686	-
Waivered fees		-	5,500
Miscellaneous		-	4,457
Total expenses		482,776	444,560
CHANGES IN UNRESTRICTED NET ASSETS		45,146	86,772

INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)

NOTES TO THE FINANCIAL STATEMENTS

Year ending 31 December 2016

1 NATURE OF ORGANISATION

The International Organisation of Pension Supervisors (IOPS) is an international body representing a range of members involved in the supervision of private pension arrangements. The Organisation's members cover all levels of economic development and bring together all types of pension and supervisory systems.

IOPS is an association in accordance with French law. It is domiciled in Paris, France and receives membership fees from members worldwide.

2 SIGNIFICANT ACCOUNTING POLICIES

The accounts of the IOPS are drawn on the historical cost basis and income and expense items are recorded on the accruals basis.

3 INCOME TAXES

The Organisation is exempt from income tax.

4 PAYMENTS TO THE OECD

The IOPS paid the following amounts to the OECD:

132,767 Grant provided to meet secretariat and administrative support services, technical and liaison support.

265,533 Accrued Grants to the OECD 2016, paid early 2017.

398,300

5 CONFERENCE FEES

The IOPS paid expenses relating to three sets of meetings in Rome, Berlin and Hong Kong

4,418 Rome

18,582 Hong Kong

23,000

6 SUNDRY DEBTORS AND PREPAYMENT

Consist of the following amounts:

2015 27,525 Iceland, Kosovo, Panama, Rwanda and Thailand.

2016 66,000 China, Dominican Republic, France, Iceland, Kosovo, Swaziland, Thailand, United Kingdom, Zambia, Panama and Tanzania

93,525

INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS (IOPS)

NOTES TO THE FINANCIAL STATEMENTS

Year ending 31 December 2016 (continued)

7 ACCRUED EXPENSES

The accrued expenses of 2015 amount to:

7,500	Audit fee 2015
7,200	Audit fee 2016
12,947	Hong Kong Conference
7,000	Subscriptions
34,647	

8 The 2016 fees are levied in three bands according to the stage of economic development in the member's country. The bands are based on the World Bank's country classification.

9 Bad Debt Expense - **44,000**

	2016	2015	2014		
Honduras	5,500	5,500	5,500	16,500	write off
Romania	5,500	-	-	5,500	write off
Kazakhstan	-	-	5,500	5,500	write off
Malawi	-	-	2,750	2,750	write off
Jordan	-	-	5,500	5,500	write off
United Kingdom	-	-	8,250	8,250	write off
	11,000	5,500	27,500	44,000	